



viaplay
GROUP

Q4 2023 Results

PRESENTATION



LEGAL DISCLAIMER

Important notice

This presentation has been prepared for information purposes only. The presentation is not intended to form the basis of any investment activity or decision. The presentation should not be considered as a recommendation in relation to an investment in Viaplay Group, nor does it constitute an offer for sale, or solicitation of any offer to acquire shares in Viaplay Group or any of Viaplay Group's assets.

This presentation contains statements concerning, among other things, Viaplay Group's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Viaplay Group's future expectations. Viaplay Group believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors include but may not be limited to Viaplay Group's market position; growth in the streaming industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Viaplay Group, its group companies and the streaming industry in general. Forward-looking statements apply only as of the date they were made, and other than as required by applicable law, Viaplay Group undertakes no obligation to update any of them in the light of new information or future events.

Today's Speakers



Jørgen Madsen Lindemann
President and CEO



Enrique Patrickson
*EVP, CFO, Head Of Strategy
and M&A*

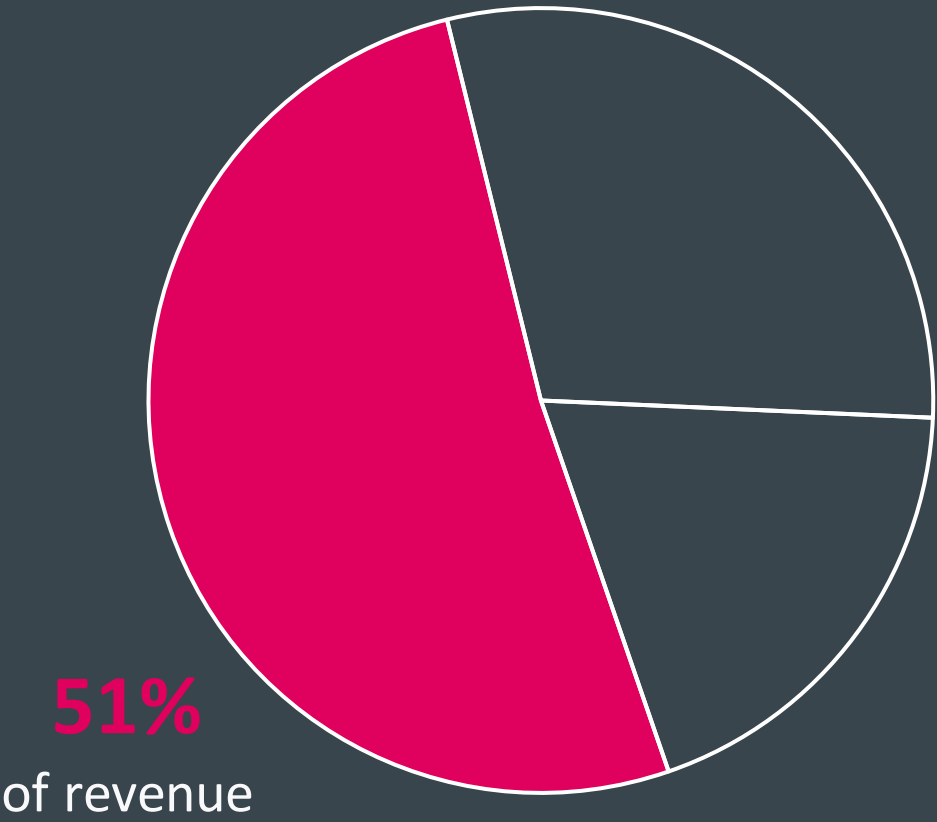


Matthew Hooper
*EVP and Chief Corporate
Affairs Officer*

This is Viaplay Group

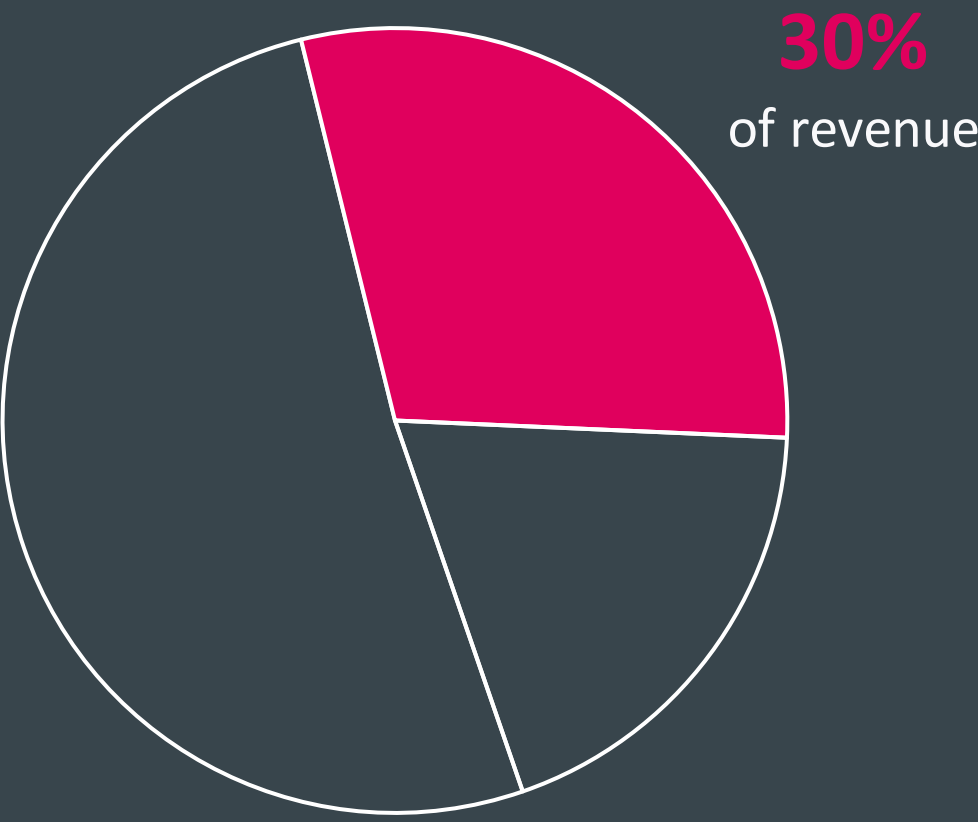
Viaplay

- Online video streaming service focused on Nordics and Netherlands and currently operating in 13 markets
- Includes live premium sport, original local content, and acquired series & films – available D2C and B2B



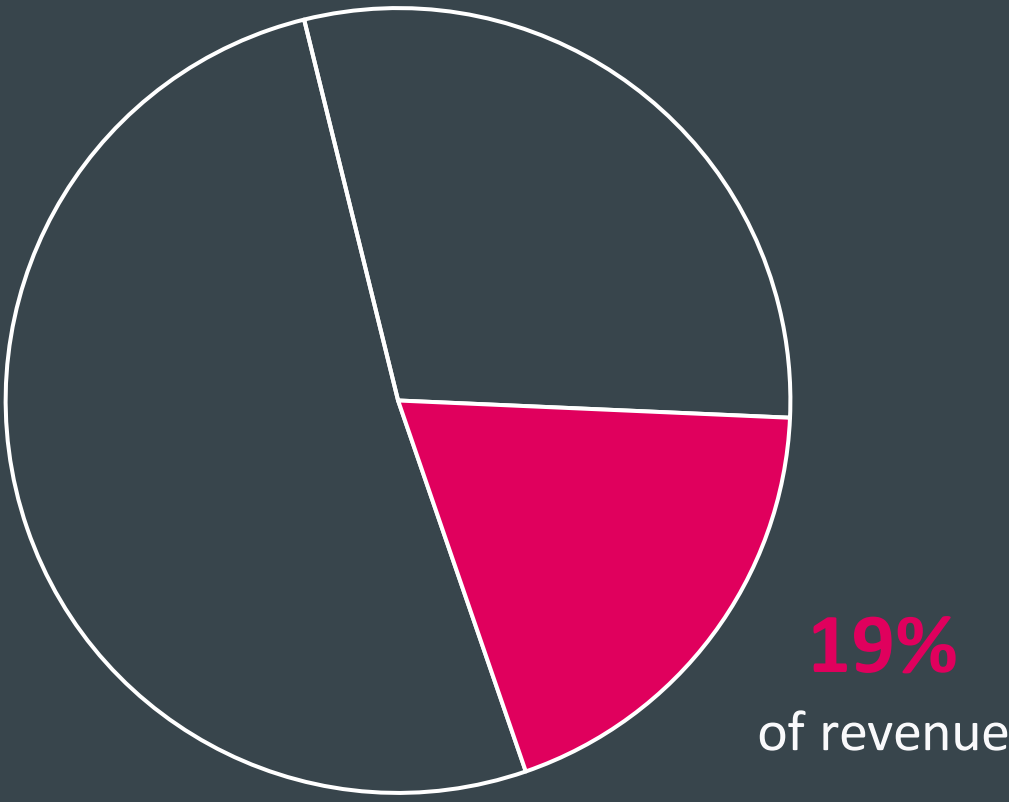
Linear Subscription & other

- Family of leading Scandinavian Free-TV and Nordic Pay-TV channels
- Made available through almost all telco and broadband networks
- Also includes sublicensing and studios



Advertising

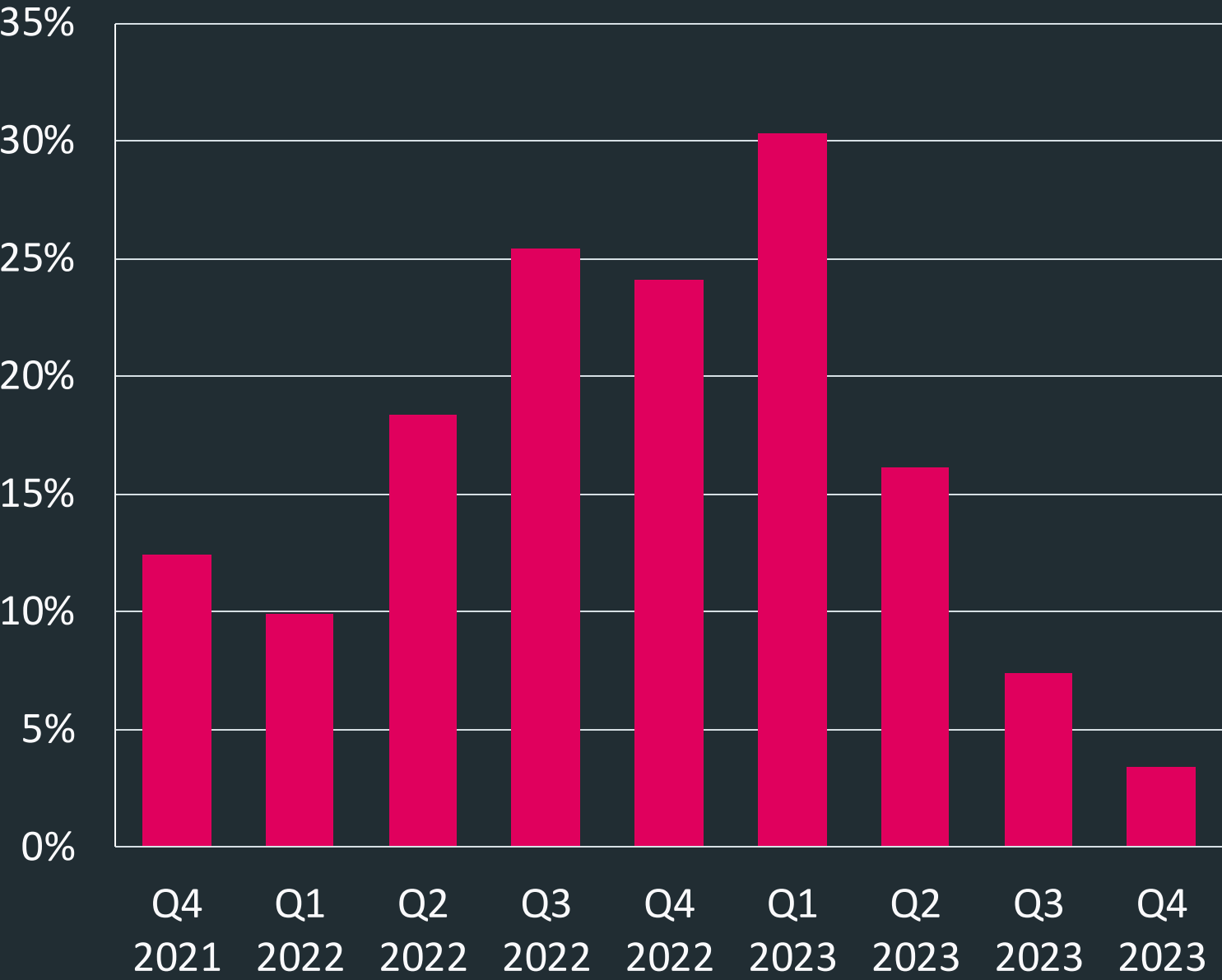
- Advertising and sponsorship revenues generated by the Group’s TV channels, radio stations and streaming services



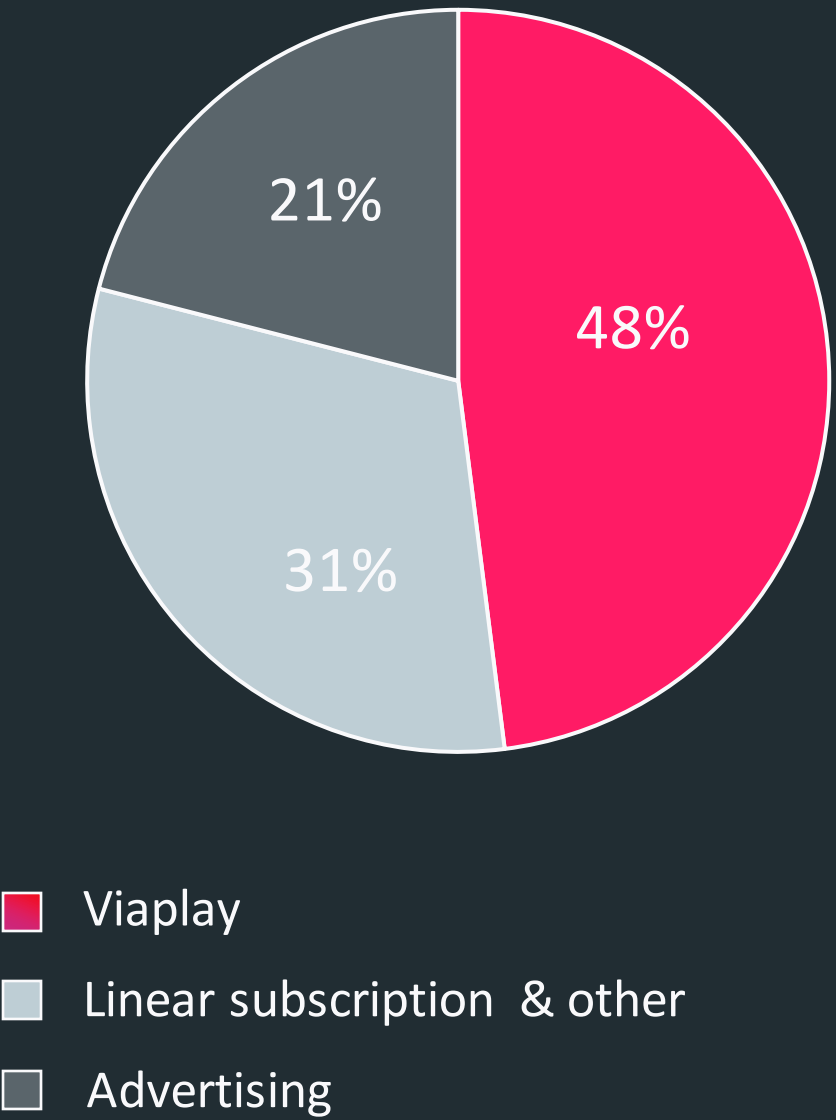
Note: Based on FY 2023 results

Group performance

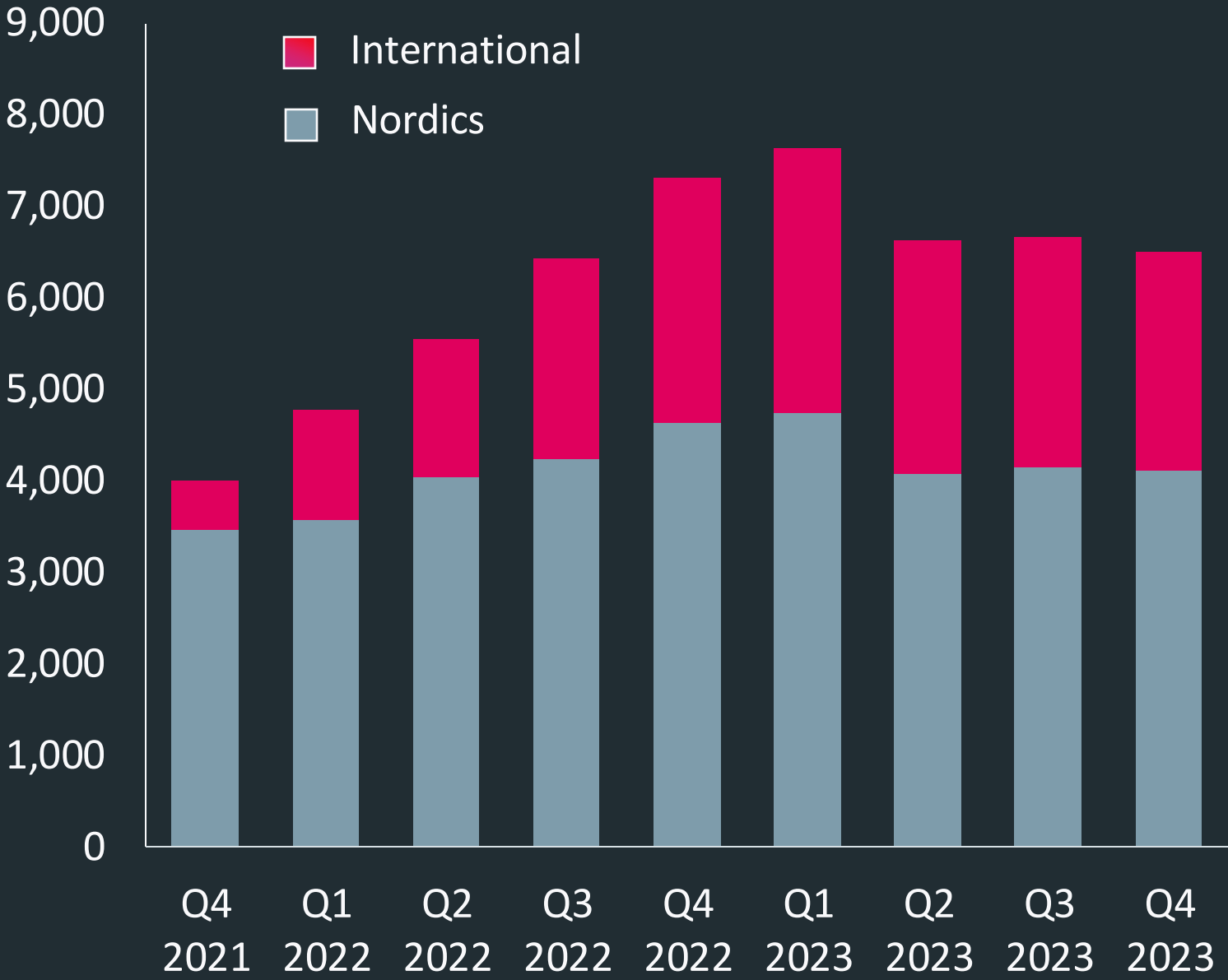
Organic sales growth



Sales categories

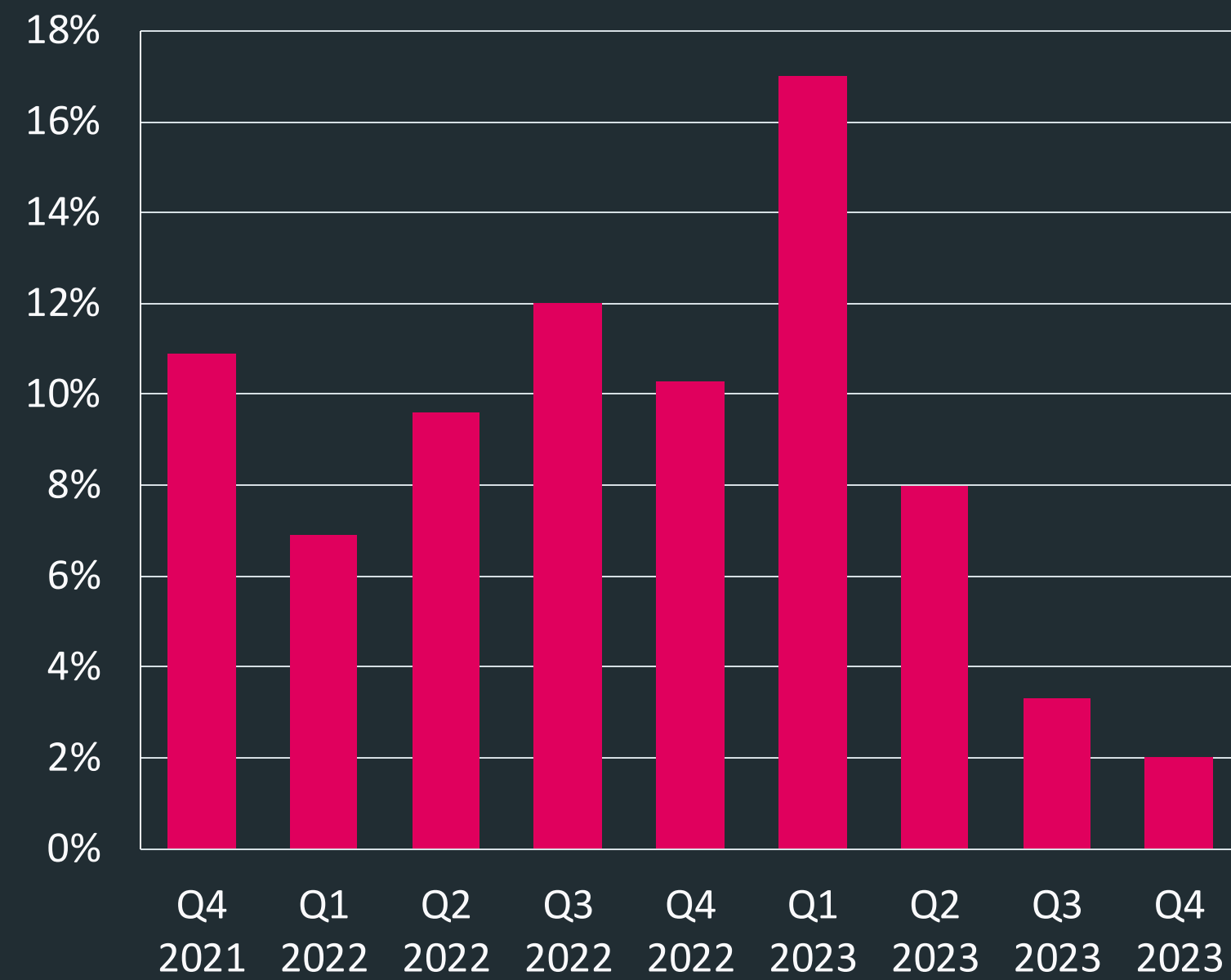


Viaplay subscribers

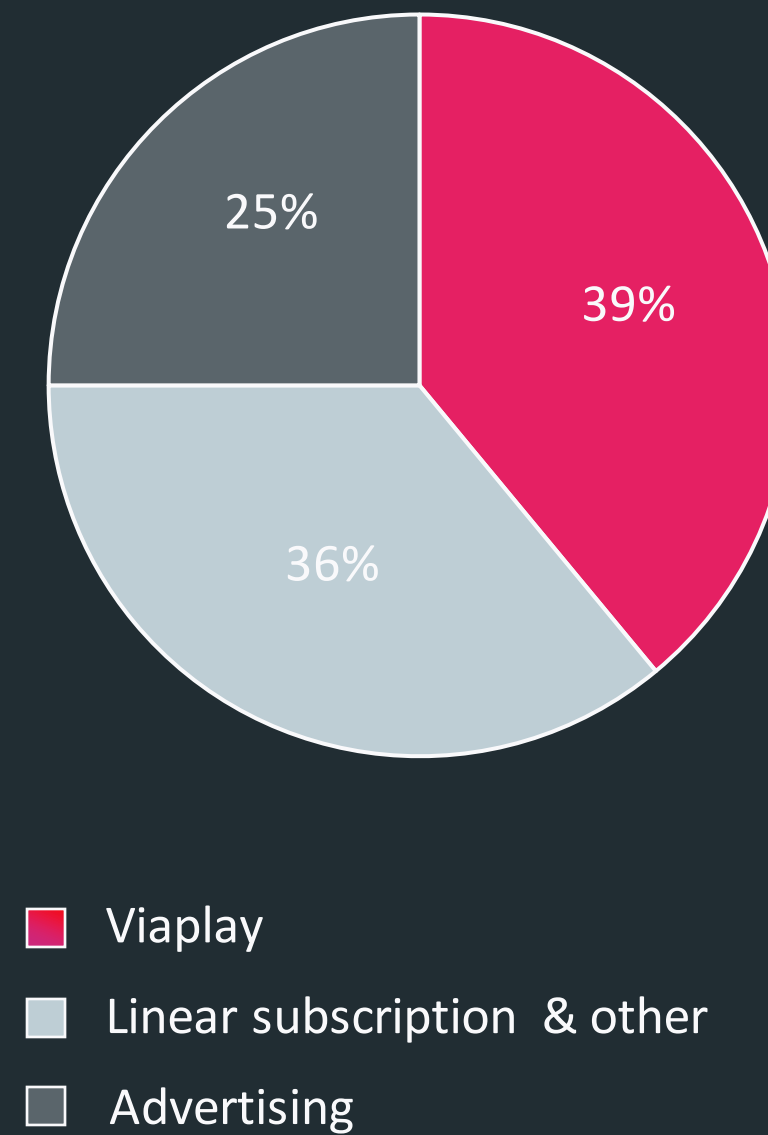


Segmental performance: NORDICS

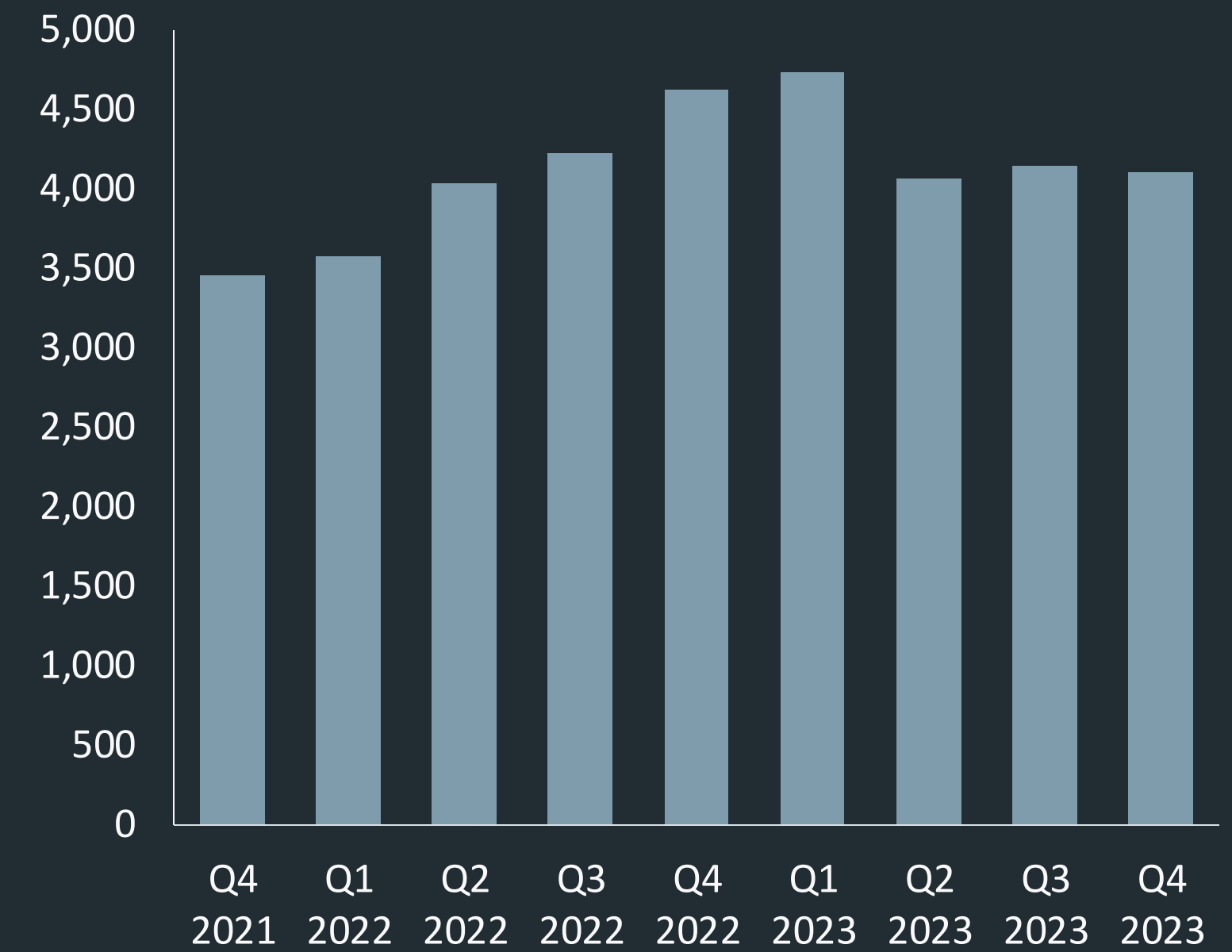
Organic sales growth



Sales categories



Viaplay subscribers



NORDICS: performance by business line

2.0% organic sales growth | EBIT of SEK 165m | 4,106k Viaplay subscribers

Viaplay

- -0.3% organic sales growth
- Represents 39% of Nordic net sales
- Price increases offset by lower subscriber volumes and higher B2B mix
- Subscriber base decline reflected phasing out of marketing campaign subscribers in Q2

Linear Subscription & other

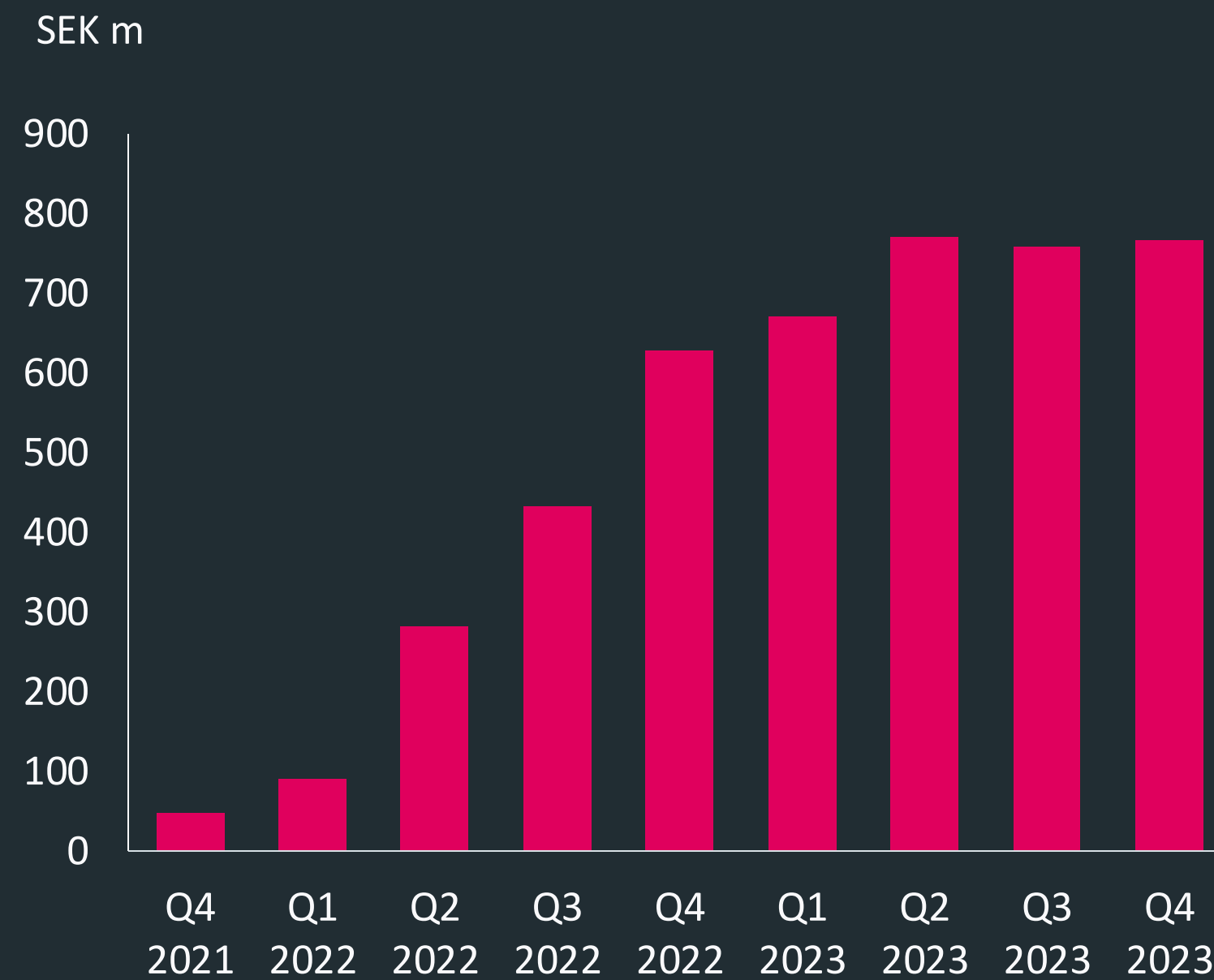
- 9.1% organic sales growth
- Represents 36% of Nordic net sales
- Higher sports and non-sports sublicensing sales were driver of growth
- Announced sale and closure of last Studios businesses

Advertising

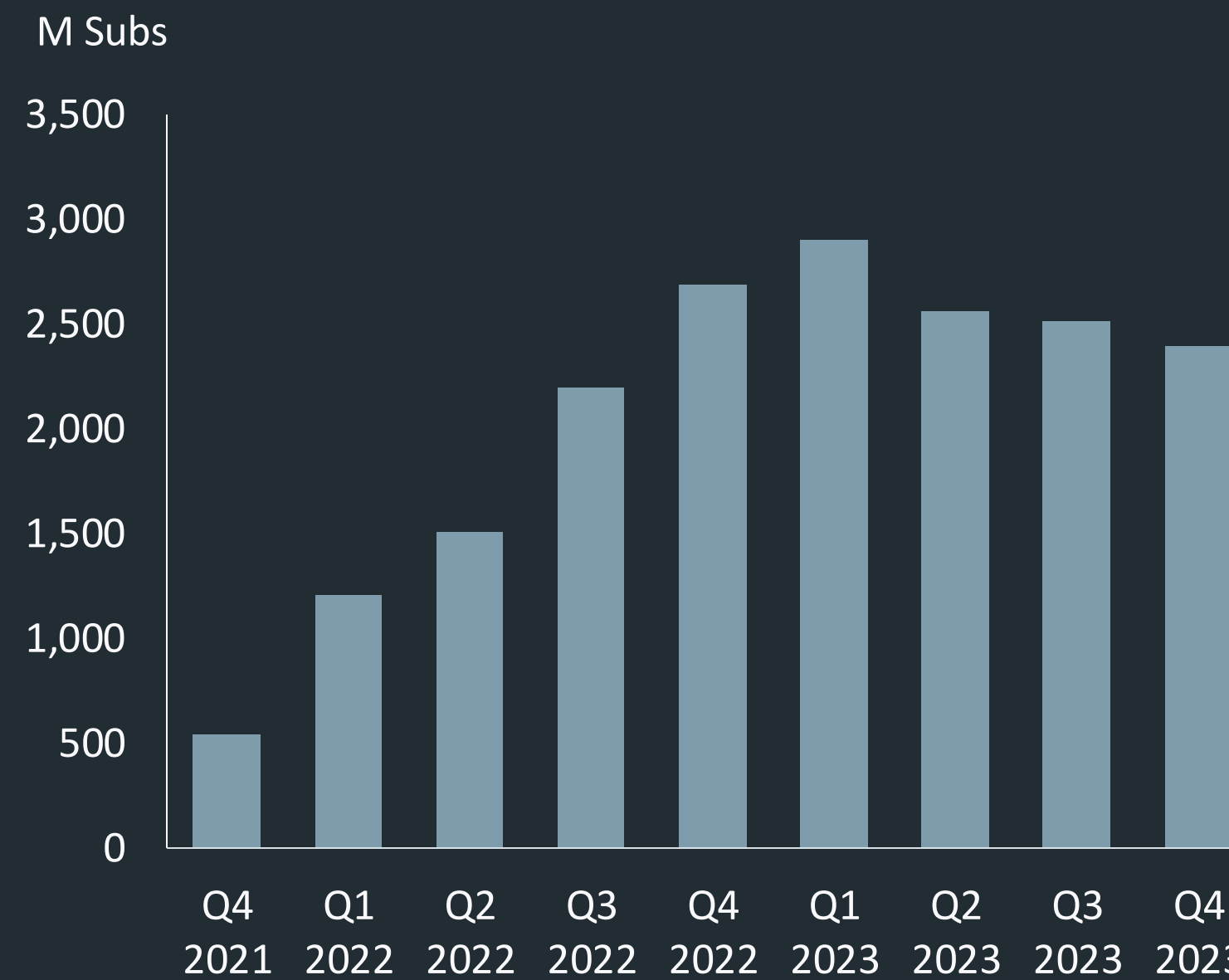
- -3.4% organic sales decline
- Represents 25% of Nordic net sales
- TV target audience share increased in all three markets, with radio up in Norway and down in Sweden
- Linear market share gains in declining markets + strong digital growth

Segmental performance: INTERNATIONAL

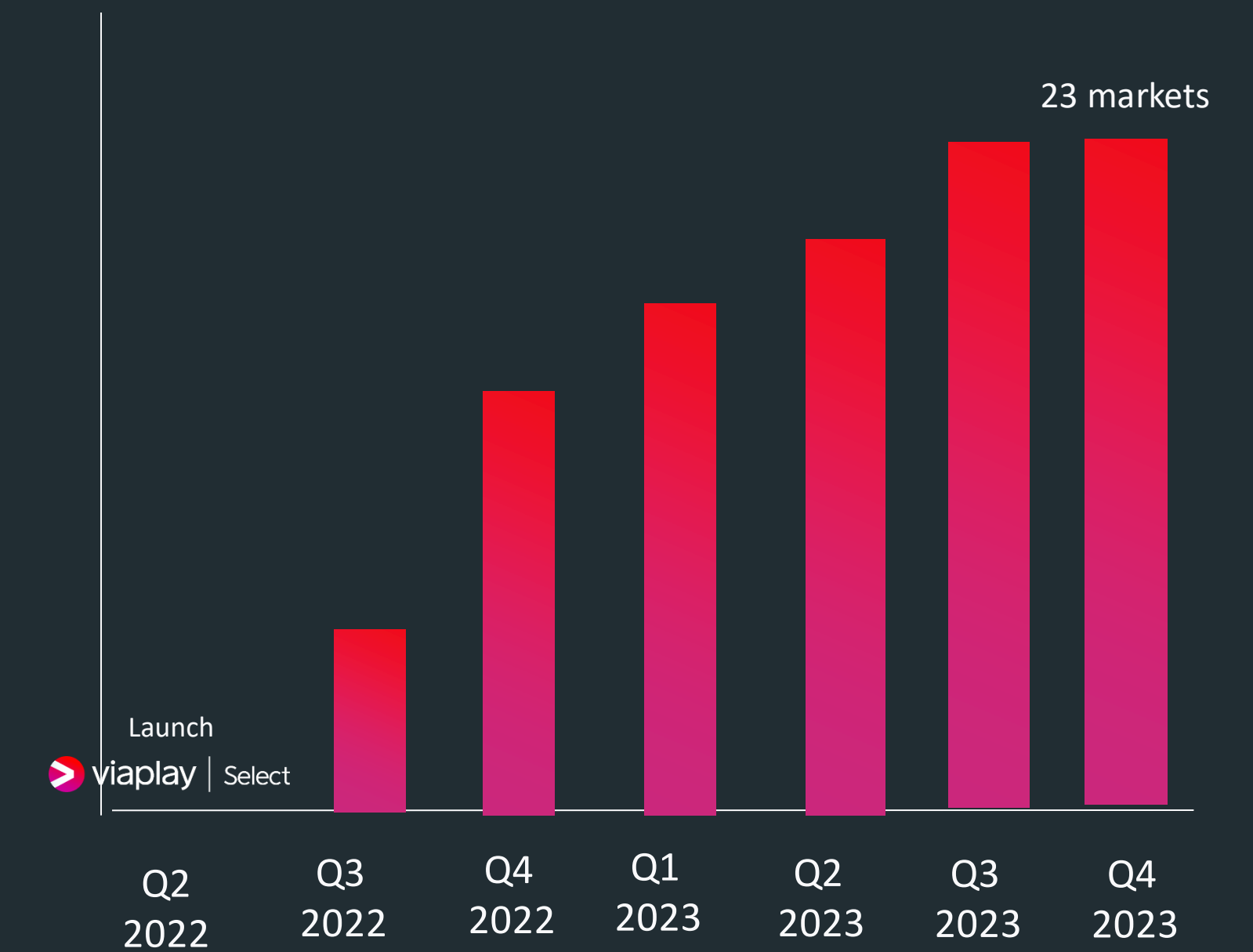
Net Sales



Viaplay subscribers



Viaplay Select markets



INTERNATIONAL: performance by business line

12.4% organic sales growth | EBIT of SEK -395m | 2,396k Viaplay subscribers

Viaplay

- 12.4% organic sales growth driven by price increases and content distribution sales
- Subscriber base decline reflected phasing out of marketing campaign subscribers in Q2 + seasonal F1 churn in Netherlands
- Operational withdrawal from the Baltics announced; completion of UK sale expected in Q1; exiting Poland in mid 2025

Viaplay Select

- Continued focus on content distribution sales
- Viaplay select present in 23 markets

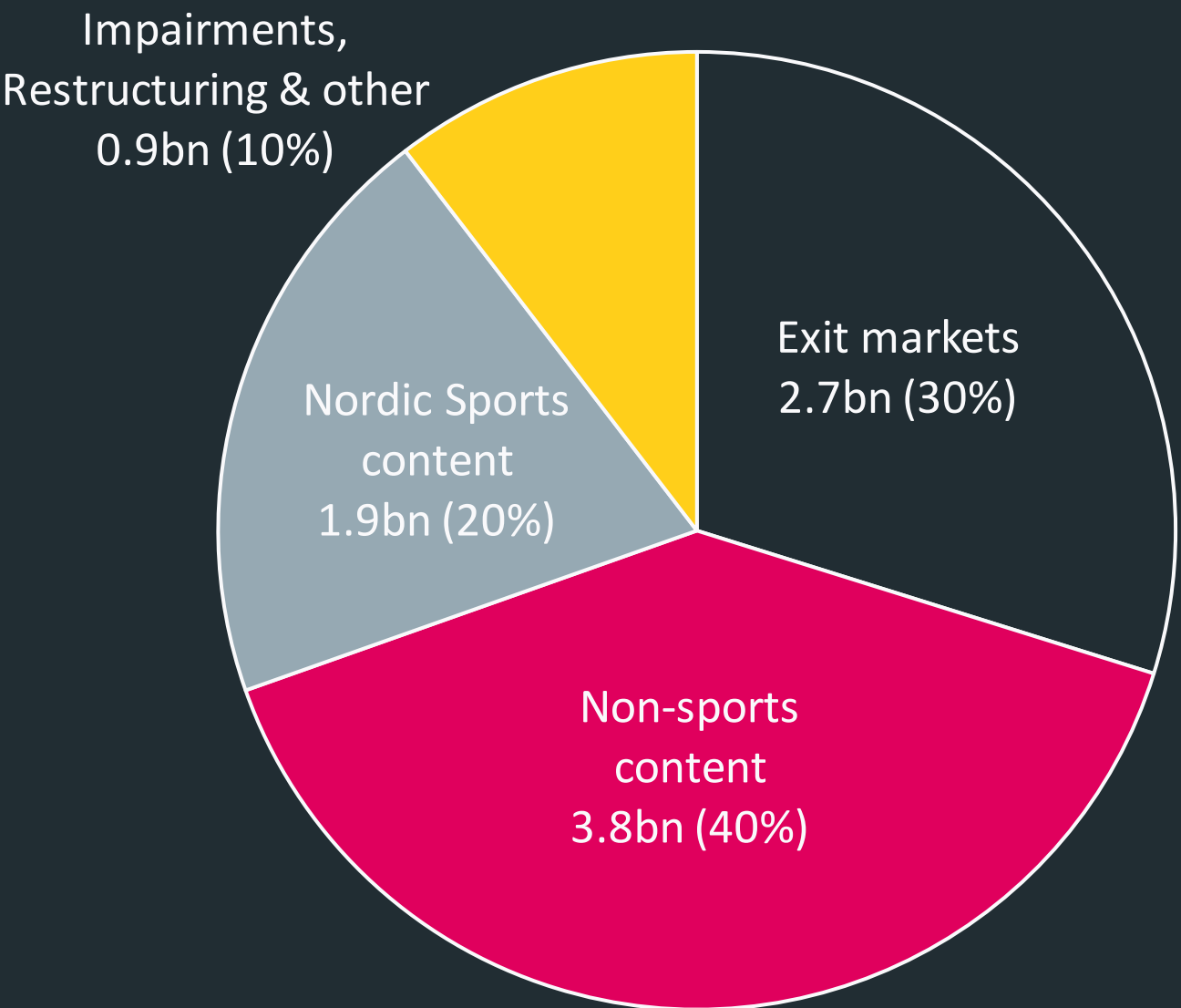
Group performance

SEKm	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales	4,903	4,670	18,567	15,691
Cost of Sales	-4,601	-4,202	-17,265	-13,048
SG&A	-639	-840	-2,639	-3,163
Other operating income & expenses	107	88	222	148
Operating Income (ex ACI & IAC)	-230	-284	-1,115	413
Associated company income	15	76	63	275
Items affecting comparability	-2,648	-86	-9,224	510
Operating Income	-2,863	-294	-10,276	413

FY 2023 ITEMS AFFECTING COMPARABILITY (IAC)

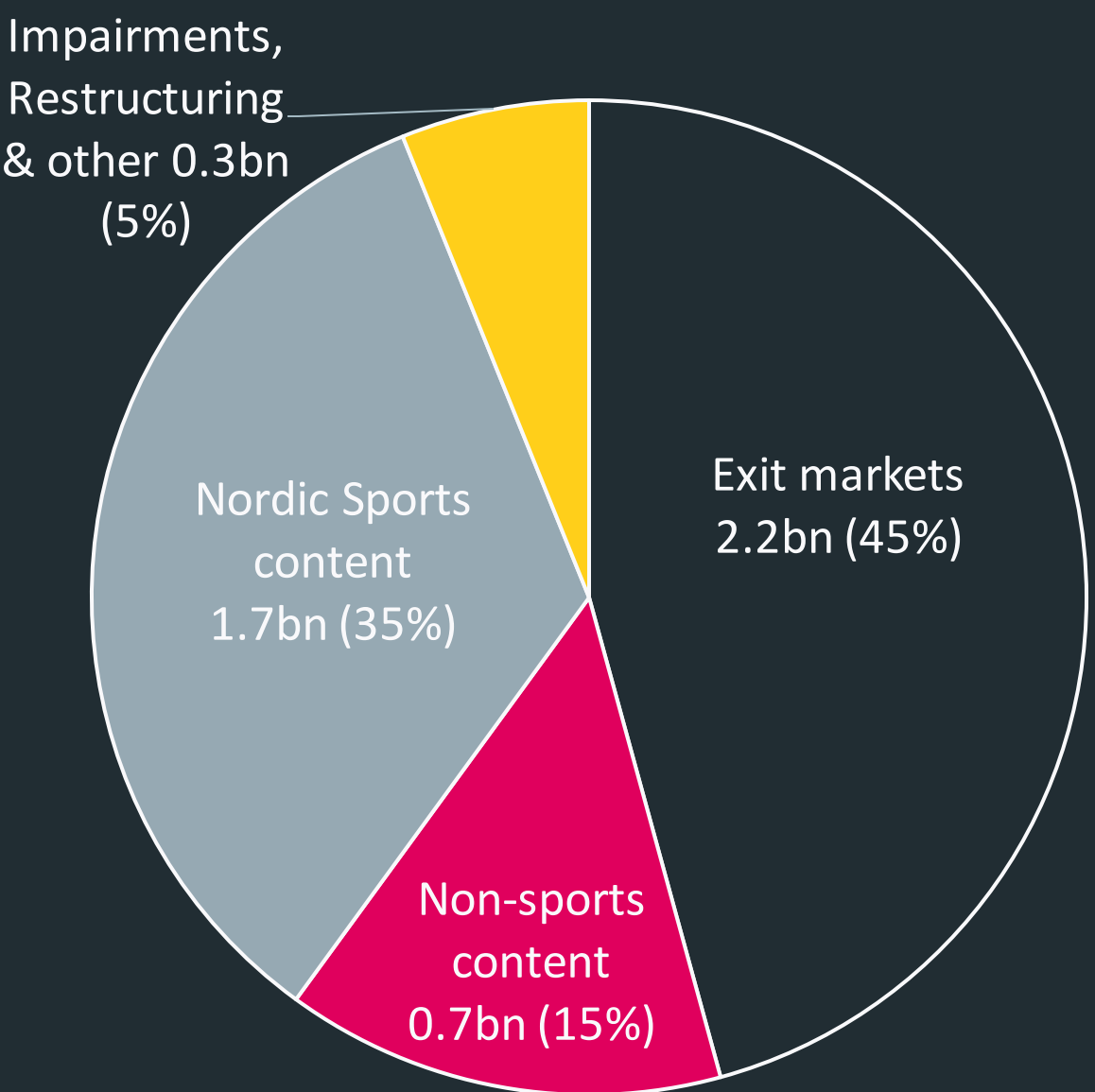
Total IAC of SEK 9.2bn

(SEK; % of total)



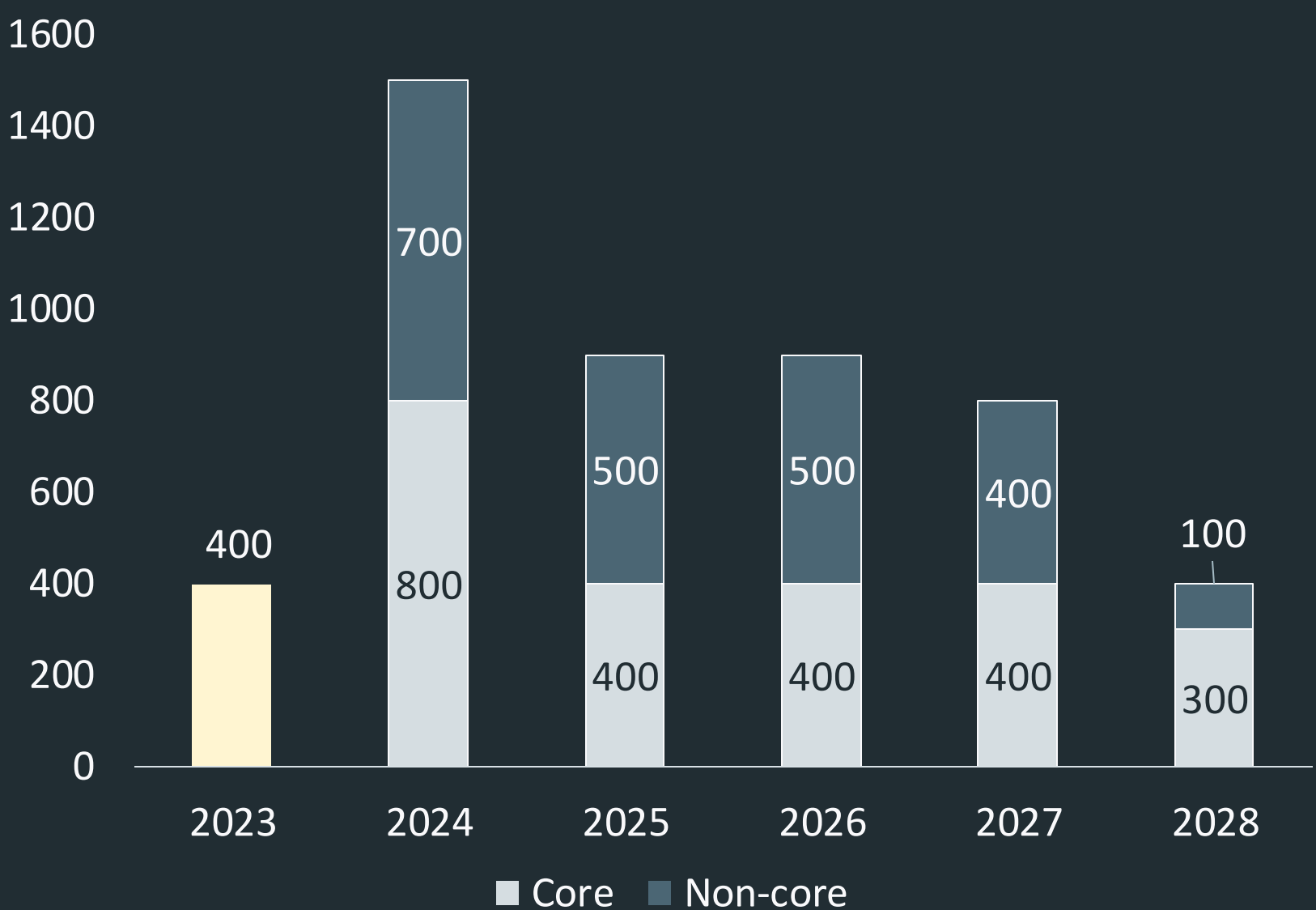
o/w cash of ~ SEK 4.9bn

(SEK; % of total)



Estimated phasing

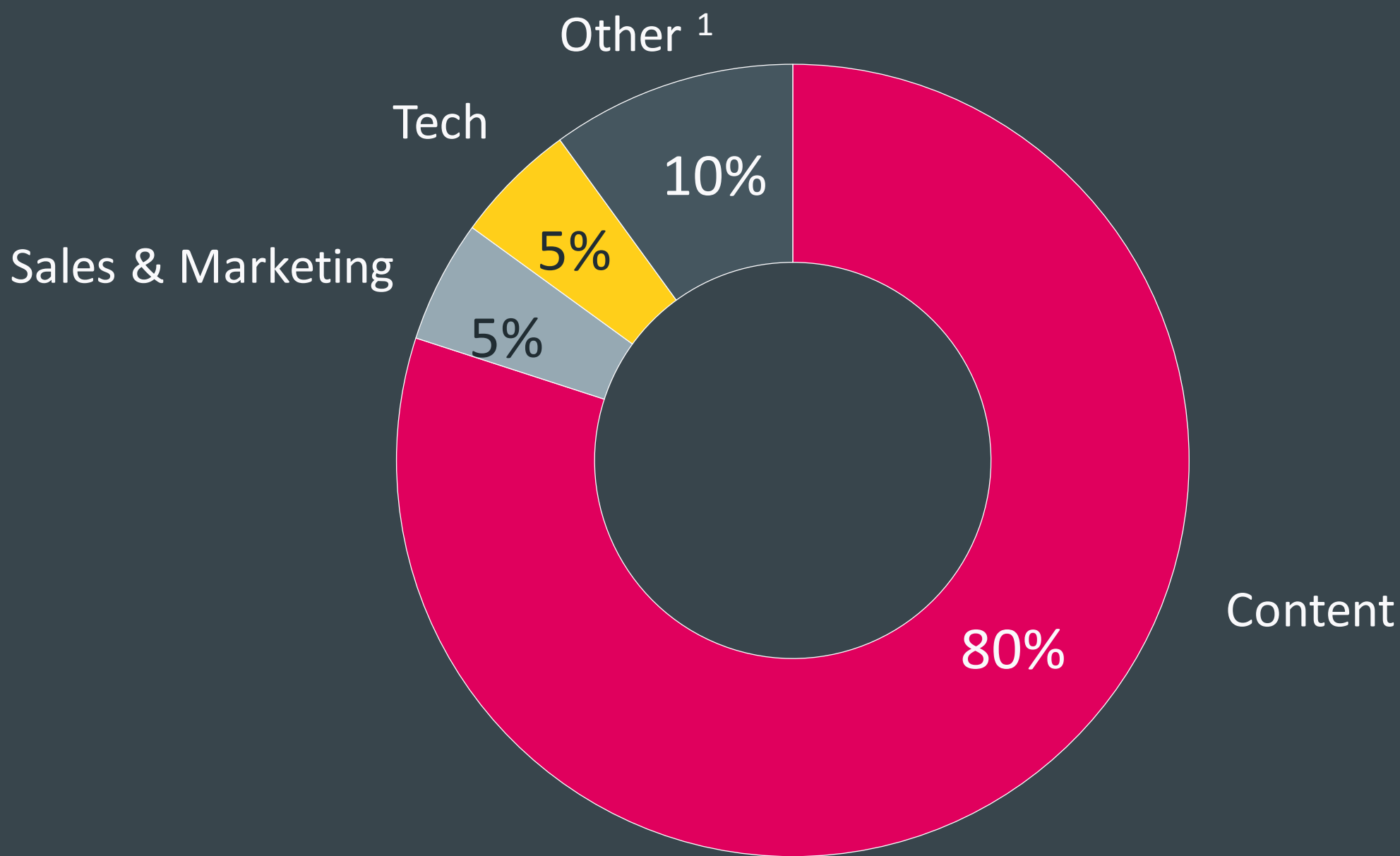
SEKm



Resetting the cost base

OpEx overview

Indicative share of Group OpEx (%)



Sports:
Majority of contracts locked in over multi-year periods



Acquired content:
Largest deals are locked in until 2025



Originals:
High visibility as amortised over 6 years

Notes: 1. Includes G&A, Studios & other COGS. Based on FY 2023 Results

Allente update

SEKm	Q4 2023	Q4 2022	FY 2023	FY 2022
Sales	1,643	1,735	6,610	6,808
EBITDA before IAC	242	362	874	1264
Depreciation & amortisation	-127	-139	-513	-463
EBIT before IAC	115	223	361	801
Items affecting comparability	-	-1	-30	-22
EBIT	115	222	331	779
Net Income	28	156	134	564
Viaplay Group 50% share	14	78	67	282
Net debt position	1,626	1,938	1,626	1,938
# subscribers (<i>thousands</i>)	943	1,040	943	1,040

- Sales decline due to falling DTH subscriber base
- No further dividends paid in 2023



Cash flow & financial position

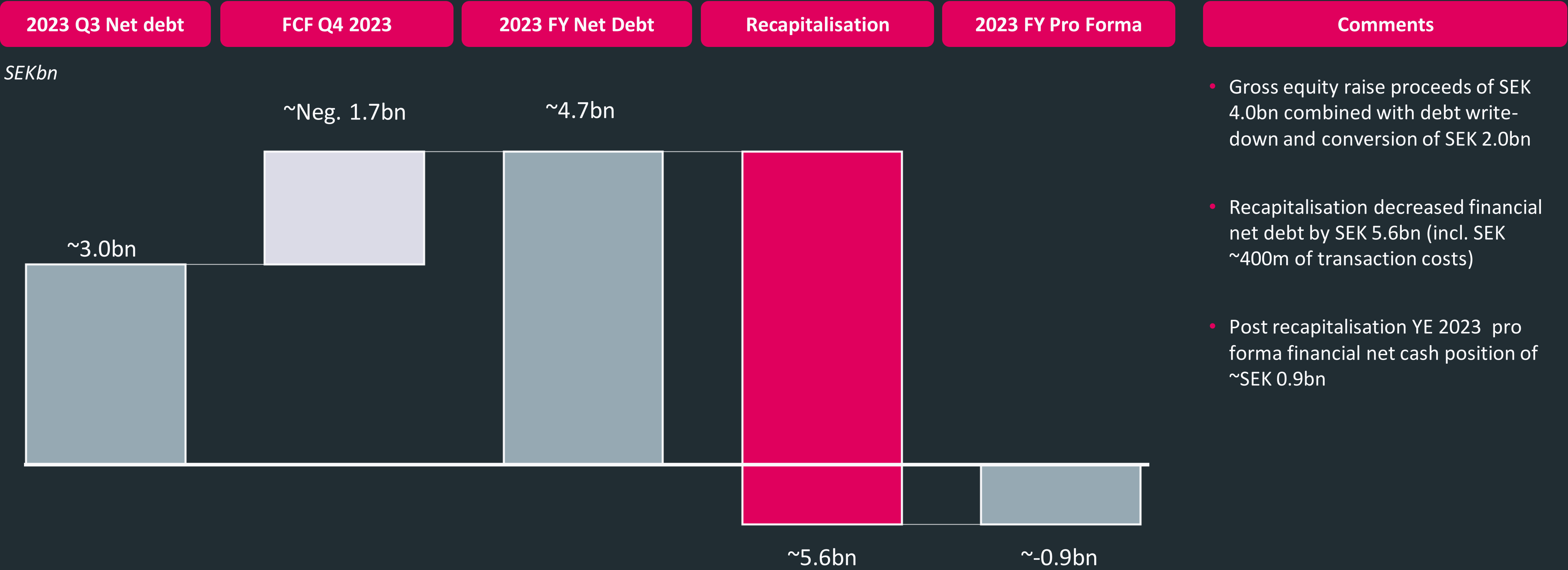
SEKm	Q4 23	Q4 22	FY23	FY 222
Cash flow from operations	-401	-102	-1,442	304
Change in working capital	-1,224	-345	-1,906	-3,305
Net operating cash flow	-1,625	-447	-3,348	-3,001
Capital expenditure	-21	-58	-159	-186
Other cash flow from investing activities	6	5	17	71
Operating FCF*	-1,640	-500	-3,490	-3,116

- No further dividends received from Allente
- Change in w/c reflected higher sports payments

SEKm	Q4 23	Q4 22	FY23	FY 22
Total borrowings	7,250	3,900	7,250	3,900
Cash & cash equivalents**	2,569	2,775	2,569	2,775
Net debt (including net lease liabilities)	4,976	1,482	4,976	1,482
Net lease liabilities	295	377	295	377
Financial net debt (excluding net lease liabilities)	4,681	1,105	4,681	1,105

- Remaining SEK 2.5bn drawn on revolving credit facility
- Financial net debt position became net cash position after completion of recapitalisation in Feb 24

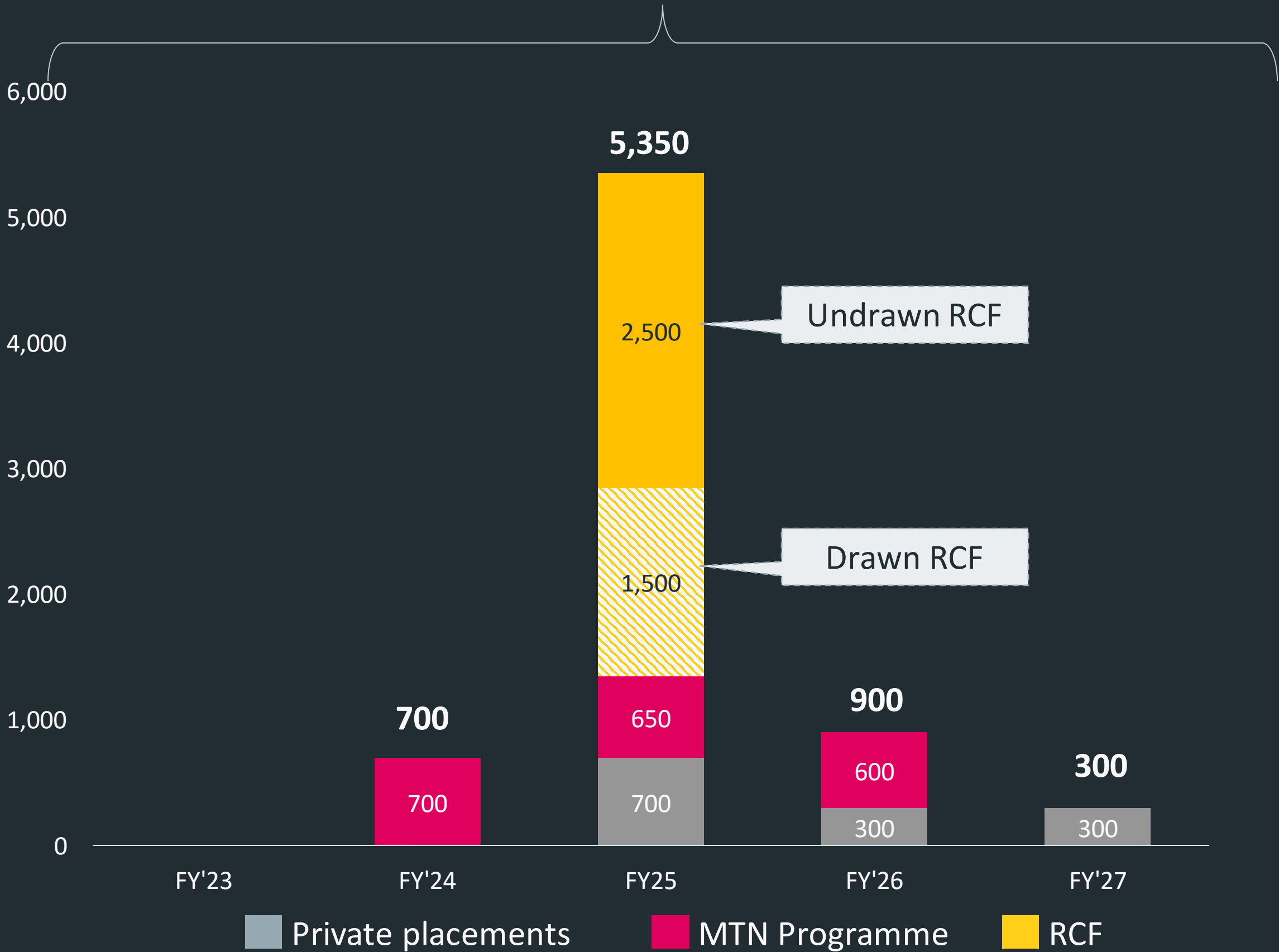
Pro forma year end financial net debt



Debt maturity profile

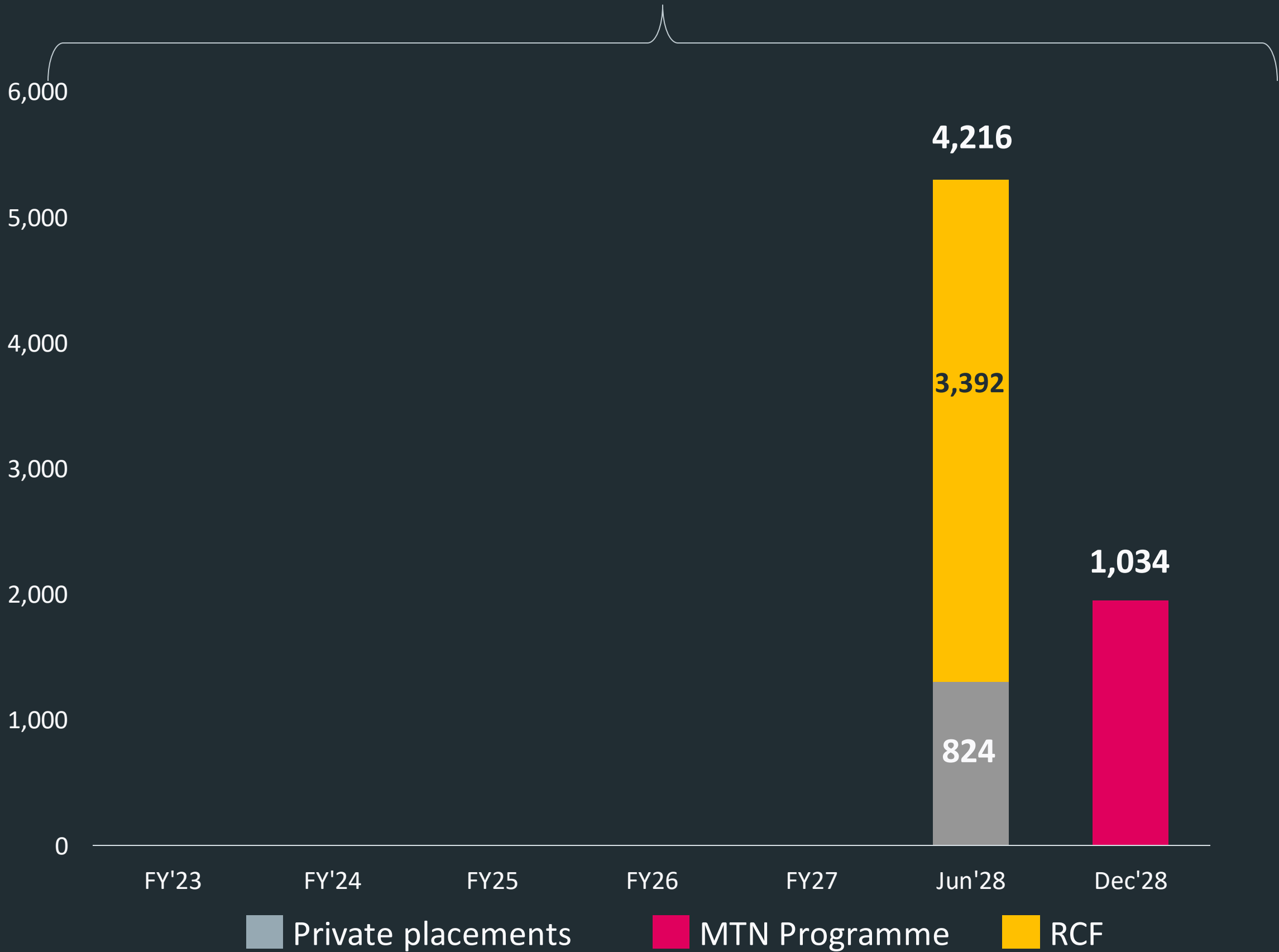
Q4 2023

SEK 7,250m excl. guarantee facilities

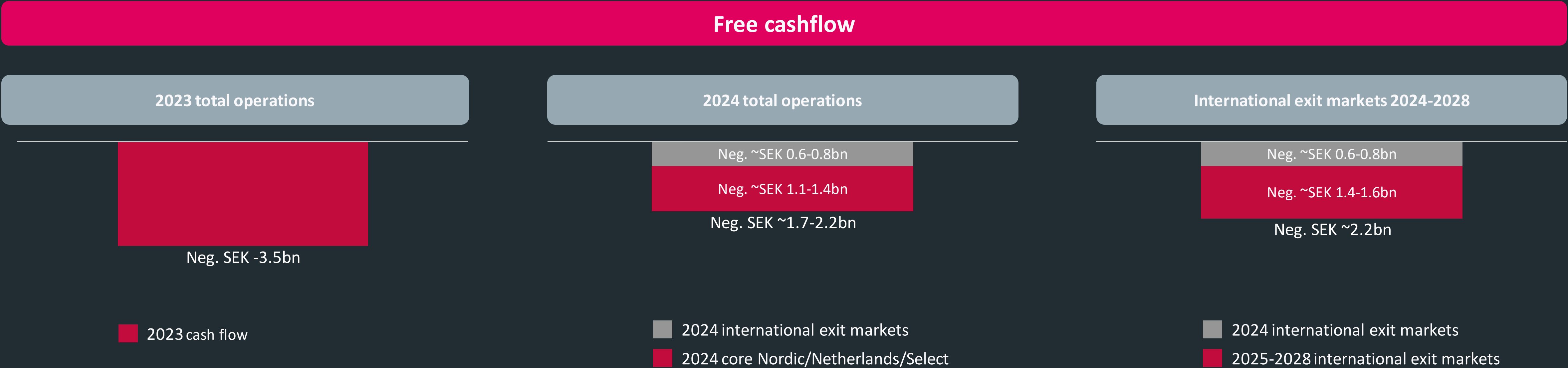


Post recapitalisation

SEK 5,250m excl. guarantee facilities



Free Cash flow profile



Financial Targets

2024 – Updated targets

Group Sales	SEK 17.2-17.8 billion
Group EBIT (ex IAC & ACI)	Between loss of SEK 250 million and profit of SEK 50 million
Group free cash flow*	Negative SEK 1.7-2.2 billion including negative SEK 0.6-0.8 billion for non-core International operations

**Cash flow from operating activities plus cash flow from investing activities excluding the acquisition or disposal of operations*

The Group's non-core international operations (Baltics, Poland, UK, North America) are expected to contribute sales of approximately SEK 0.8-1.0 billion in 2024. The UK based Premier Sports business is in the process of being sold, with the transaction expected to close in Q1 2024, and the North American D2C operations are being closed down in Q1 2024. Starting 1 February, Viaplay's full live sports portfolio in the Baltic region has been sublicensed to a third party, with direct Viaplay subscribers in the three countries to be transferred during March. Viaplay Group will exit the Polish market in summer 2025. The majority of the costs for these non-core international operations have now been written down but will continue to be included in the Group's cashflows (as in the table above). Consequently, these operations are expected to report an operating loss of approximately SEK 0.1 billion in 2024.

New reporting structure from Q1 2024

CURRENT SEGMENTAL REPORTING STRUCTURE		FUTURE SEGMENTAL REPORTING STRUCTURE*	
NORDICS	INTERNATIONAL	CORE	NON-CORE
-Viaplay subscription sales	Viaplay subscription sales	-Viaplay streaming subscription sales	Total Net Sales
-Linear subscription & other sales		-Linear channel subscription sales	
-Advertising sales		-Advertising sales	EBIT (ex ACI &IAC)
		-Sublicensing & other sales	
Total Net Sales	Total Net Sales	Total Net Sales	Free cash flow**
Operating expenses	Operating expenses	Operating expenses	
EBIT (ex ACI &IAC)	EBIT (ex ACI &IAC)	EBIT (ex ACI &IAC)	
- Operating Margin	- Operating Margin	Operating Margin	
Viaplay Subscribers	Viaplay Subscribers	Viaplay Subscribers	
		Free cash flow**	

*Historic information will be provided in due course in order to enable mapping accordingly

**The group will introduce a new APM for free cashflow and define and reconcile the segments cash flow to the Group cash flow. The exact presentation and structure of free cash flow will be finalised during Q1

The Nordic region's leading entertainment provider

1

- **Re-focus top-line drivers**

- Value over volume
- Increase D2C pricing to reflect unique customer value proposition
- Enhance B2B partnership model to improve unit economics
- Increase digital ad inventory
- New products to drive monetisation

2

- **Improve return on content investment**

- Focus on commercially & locally relevant content
- Disciplined KPI driven approach to acquisition costs, product pricing, churn management, and enhancing Customer LifeTime Value
- Focus on Select sales & sublicensing of content that does not move the needle or require exclusivity

3

- **Organisational restructuring**

- Sell/partner/close Baltics, Poland, UK, US & Canada, Studios
- Significant reduction in size of workforce
- New mandated & accountable country-based operating model
- New content & tech investment approval processes
- Optimise team set-up

Objective to deliver profitable growth, disciplined capital allocation and sustainable cash flow generation

Our proposition is unique

Original content

Scripted original drama
series, movies and
documentaries

Non-scripted
original series

Live sports



Acquired
series

Acquired movies

Sports Rights - Nordics

<div><div><div><div><div></div><div>Premier League</div></div><div><div><div></div><div>CHAMPIONS LEAGUE</div></div><div><div><div></div><div>EUROPA LEAGUE</div></div><div><div><div></div><div>Emirates FA CUP</div></div><div><div><div></div><div>BUNDESLIGA</div></div><div><div><div></div><div>EUROPEAN QUALIFIERS</div></div><div><div><div></div><div>COPA AMERICA ECUADOR 2024</div></div><div><div><div></div><div>EFL</div></div><div><div><div></div><div>NHL</div></div><div><div><div></div><div>IIHF INTERNATIONAL ICE HOCKEY FEDERATION</div></div><div><div><div></div><div>UFC KSW</div></div><div><div><div></div><div>Formula 1</div></div><div><div><div></div><div>INDYCAR SERIES</div></div><div><div><div></div><div>NASCAR</div></div><div><div><div></div><div>DP WORLD</div></div><div><div><div></div><div>EHF EUROPEAN HANDBALL FEDERATION</div></div><div><div><div></div><div>F I S</div></div><div><div><div></div><div>PDC</div></div><div><div><div></div><div>National Soccer Leagues</div></div><div><div><div></div><div>FLYER-ALARM FRAUEN-BUNDESLIGA</div></div><div><div><div></div><div>Gjensidige KVINDELIGA</div></div><div><div><div></div><div>BARCLAYS FA Women's Super League</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div> </																											
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Sports Rights – Netherlands and Poland

<div><div><div><div><div></div><div>Premier League</div></div><div><div><div></div><div>CHAMPIONS LEAGUE</div></div><div><div><div></div><div>EUROPA LEAGUE</div></div><div><div><div></div><div>BUNDESLIGA</div></div><div><div><div></div><div>COPA AMERICA ECUADOR 2024</div></div><div><div><div></div><div>EURO2024 GERMANY</div></div><div><div><div></div><div>EURO2028</div></div><div><div><div></div><div>EFL</div></div><div><div><div></div><div>NHL</div></div><div><div><div></div><div>Formula 1</div></div><div><div><div></div><div>KSW</div></div><div><div><div></div><div>PDC PROFESSIONAL DARTS CORPORATION</div></div><div><div><div></div><div>Emirates FA CUP</div></div><div><div><div></div><div>EHF EUROPEAN HANDBALL FEDERATION</div></div><div><div><div></div><div>FLYER-ALARM FRAUEN-BUNDESLIGA</div></div><div><div><div></div><div>Gjensidige KVINDELIGA</div></div><div><div><div></div><div>EUROPEAN QUALIFIERS</div></div><div><div><div></div><div>BARCLAYS FA Women's Super League</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>																			
	PL	2025	X	2024	2025	2024	X	X	2028	2026	2025	2025	2026	X	2031	2027	2024	X	2024
	NL	2028	X	X	2029	X	X	X	2028	X	2024	2025	2026	X	2031	2027	2024	X	X

What we want to achieve post 2024

Levers to enhance profitability and cash flow



Price increases



Content cost rationalisation



Sports rights renewals and sublicensing



B2B partnership model amendments

Long-term ambitions for Core



Low to mid-single digit percentage revenue growth



Double-digit operating profit margins in five years



Free cash flow generation in 2025 (2027 for Group)



Recapitalised to deliver plan and build balance sheet



viaplay
GROUP

Q4 2023 Results

PRESENTATION

